(a) **Wages**

For the purposes of this chapter, the term “wages” means all remuneration for employment, including cash value of all remuneration (including benefits) paid in any medium other than cash; except that such term shall not include —

(d) **Employee**

For purposes of this chapter, the term “employee” means –

(1) any officer of a corporation; or
(2) any individual who, under the usual common law rules applicable in determining the employer–employee relationship, has the status of an employee; or
(3) any individual (other than an individual who is an employee under paragraph (1) or (2)) who performs services for remuneration for any person –

(e) **State, United States, and citizen**

For the purposes of this chapter —

(1) **State** — The term “State” includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.
(2) **United States** — The term “United States” when used in a geographical sense includes the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

An individual who is a citizen of the Commonwealth of Puerto Rico (but not otherwise a citizen of the United States) shall be considered, for purposes of this section, as a citizen of the United States.

(h) **American employer**

For purposes of this chapter, the term “American employer” means an employer, which is –

(1) the United States or any instrumentality thereof,
(2) an individual who is a resident of the United States,
(3) a partnership, if two-thirds or more of the partners are residents of the United States,
(4) a trust, if all the trustees are residents of the United States, or
(5) a corporation organized under the laws of the United States or of any State.
NOTE:

Notice the Jurisdiction the definitions of State, United States, and citizen as they are stated. The Jurisdiction is the exclusive jurisdiction of the national government.

If you are an 'employee' [in any of the numerous categories under (d) Employee section] in the exclusive sovereign jurisdiction of the national government you are one who meets the definition of 'Employee' per 26 USC 3121. If you are not an 'Employee' in the exclusive sovereign federal jurisdiction, then the definition of 'Employee' does not describe you. You are Exempt from being included in this definition and your “Wages” are not taxable.

Did you see the definition of the term 'American Employer'? Most employers within the 50 States of the Union are identified as a 'corporation'. Did you notice that the 'corporation' must be organized under the laws of the 'United States' or of any "State"?

So if you are employed by a corporation and that corporation was organized under the laws of the "United States" [the Commonwealth of Puerto Rico, the Virgin islands, Guam, and American Samoa] or "of any State" The Commonwealth of Puerto Rico, the Virgin islands, Guam, and American Samoa], then you are effectively working within the exclusive jurisdiction of the National Government for an “American Corporation”. Then your wages are considered income and thus taxable by the National Government via the Legislative intent of the 16th Amendment.